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DEC 21 2007

December 21, 2007

Via Courier

Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau – CPD – 214 Appls.
P.O. Box 358145
Pittsburgh, PA 15251-5145

Re: In the Matter of the Joint Application of Covad Communications Group, Inc., Transferor, Covad Communications Company, Licensee, DIECA Communications, Inc., Licensee, and CCGI Holding Corporation, Transferee, for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, and Sections 63.04 and 63.24 of the Commission's Rules to Complete an Indirect Transfer of Control of Covad Communications Company and DIECA Communications, Inc., Authorized Domestic and International Section 214 Carriers, to CCGI Holding Corporation

Dear Ms. Dortch:

On behalf of Covad Communications Group, Inc. ("CCGI"), Covad Communications Company ("Covad"), DIECA Communications, Inc. ("DIECA") and CCGI Holding Corporation ("Holding") (together, "Applicants"), enclosed please find an original and six (6) copies of an application for Section 214 authority to transfer control of Licensees. Pursuant to Section 63.04(b) of the Commission's Rules, Applicants submit this filing as a combined international section 214 transfer of control application and domestic section 214 transfer of control application ("Combined Application").

Also enclosed is a completed Fee Remittance Form 159 containing a valid credit card number and expiration date for payment, in the amount of \$965.00, to the Federal Communications Commission, which satisfies the filing fee required for this Combined Application under line 2.b of Section 1.1105 of the Commission's Rules. Applicants are simultaneously filing the Combined Application with the International Bureau through the MyIBFS Filing System.

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

Kussell M. Blau

Jeffrey R. Strenkowski

Counsel for Applicants

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FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE

Approved by OMB 3060-0589 Page 1 of 4

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FEBRUARY 2003 (REVISED)

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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In the Matter of the Joint Application of)
Covad Communications Group, Inc., Transferor, Covad Communications Company, Licensee, DIECA Communications, Inc., Licensee))) File No. ITC-T/C-2007
and) WC Docket No. 07
CCGI Holding Corporation, Transferee)
For Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, and Sections 63.04 and 63.24 of the Commission's Rules to Complete an Indirect Transfer of Control of Covad Communications Company and DIECA Communications, Inc., Authorized Domestic and International Section 214 Carriers, to CCGI Holding Corporation))))))))))

JOINT APPLICATION

I. <u>INTRODUCTION</u>

A. Summary of Transaction

Covad Communications Group, Inc. ("CCGI"), Covad Communications Company ("Covad"), DIECA Communications, Inc. ("DIECA") (Covad and DIECA, collectively "Licensees"), and CCGI Holding Corporation¹ ("Holding") (collectively, "Applicants"), through their undersigned counsel and pursuant to Section 214 of the Communications Act of 1934, as amended ("Communications Act"), 47 U.S.C. § 214, and Sections 63.04 and 63.24 of the Commission's rules, 47 C.F.R. §§ 63.04, 63.24, respectfully request Federal Communications Commission ("Commission") approval or such authority as may be necessary or required to enable the parties to

CCGI Holding Corporation was formerly known as Blackberry Holding Corporation.

consummate a transaction whereby Holding will acquire indirect control of Covad and DIECA, non-dominant carriers holding authority from the Commission to provide telecommunications services.

Although the proposed transaction will result in a change in the ultimate ownership of Licensees, no assignment of authorizations, assets or customers will occur as an immediate consequence of the proposed transaction. Licensees will continue to provide service to their existing customers pursuant to their authorizations under the same rates, terms and conditions. Accordingly, this transaction will be transparent to the customers of Licensees.

B. Request for Streamlined Processing

Applicants respectfully submit that this Application is eligible for presumptive streamlined processing pursuant to Sections 63.03 and 63.12 of the Commission's rules, 47 C.F.R. §§ 63.03 & 63.12. With respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions: (1) Applicants and their Affiliates, as defined in Section 3(1) of the Communications Act ("Affiliates") combined will hold less than a ten percent (10%) share of the interstate, interexchange market;² (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which is a party to the proposed transactions); and (3) none of the Applicants or their Affiliates is dominant with respect to any service.

With respect to international authority, this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's rules, 47 C.F.R. §63.12(a)-(b). In particular, none of the exclusionary criteria set forth in Section 63.12(c) apply as described more fully in Section V below. Accordingly, this Application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules.

² 47 U.S.C. § 153(1); 47 C.F.R. § 63.03(b)(3).

C. Request for Expedited Consideration

If, for any reason, the Commission denies streamlined processing, the parties hereby request expedited review and processing of this Application to maximize the benefits to consumers. As set forth below, Holding, through its affiliation with Platinum Equity, LLC ("Platinum") has significant financial resources and substantial experience in owning regulated telecommunications providers. As a result, the proposed transaction is structured to ensure that existing customers of Licensees will continue to enjoy uninterrupted service and, immediately following the proposed transaction, customers of Licensees will continue to receive services under the same rates, terms and conditions as those services are presently provided. The public interest therefore supports commencement of the review process as soon as possible and conclusion of the review within sixty (60) days from the date thereof. In light of the substantial public interest benefits that the Applicants expect from the proposed transaction, Applicants seek expedited approval to allow Applicants to complete the proposed transaction as soon as possible.

In support of this Application, Applicants provide the following information:

II. DESCRIPTION OF THE APPLICANTS

A. Covad Communications Group, Inc.; Covad Communications Company; and DIECA Communications, Inc.

Covad Communications Company ("Covad") is a California corporation, with offices located at 110 Rio Robles, San Jose, California 95134. DIECA Communications, Inc. ("DIECA") is a Virginia corporation with offices also located at 110 Rio Robles, San Jose, California 95134. Both Covad and DIECA are wholly owned subsidiaries of Covad Communications Group, Inc. ("CCGI") (AMEX: DVW), a publicly held Delaware company located at the same address. Covad and DIECA are leading nationwide providers of integrated voice and data communications. The

³ CCGI holds an experimental wireless license - WD2XUN – which is pending renewal.

companies offer DSL, Voice Over IP, T1, Web hosting, managed security, IP and dial-up broadband, wireless broadband, and bundled voice and data services directly through Covad's network and through Internet Service Providers, value-added resellers, telecommunications carriers and affinity groups to small and medium-sized businesses and home users. Covad broadband services are currently available across the nation in 44 states and 235 Metropolitan Statistical Areas ("MSAs") and can be purchased by more than 57 million homes and businesses, which represent over 50 percent of all U.S. homes and businesses.

Covad is authorized to provide interstate long distance service pursuant to blanket domestic Section 214 authority and international long distance service pursuant to Section 214 authorizations granted by the Commission in Docket No. ITC-214-20021118-00544. DIECA is authorized to provide interstate long distance service pursuant to blanket domestic Section 214 authority and international long distance service pursuant to Section 214 authorizations granted by the Commission in Docket No. ITC-214-20021126-00558.

B. CCGI Holding Corporation

CCGI Holding Corporation ("Holding"), formerly known as Blackberry Holding Corporation, is a Delaware corporation with offices at 360 N. Crescent Drive, South Building, Beverly Hills, California 90210. Holding is ultimately controlled by Platinum Equity LLC ("Platinum"). Platinum is a privately held Delaware limited liability company with offices located at 360 North Crescent Drive, Beverly Hills, California 90210. Platinum is a global firm specializing in the merger, acquisition and operation of companies that provide services and solutions to customers in a broad range of business markets, including information technology, telecommunications, logistics, manufacturing, and entertainment distribution.

Platinum indirectly controls several other telecommunications carriers: Startec Global Operating Company ("Startec"); Matrix Telecom, Inc. ("Matrix"); and Americatel Corporation ("Americatel Corpo

catel"). Startec provides long distance, Internet, and other communications services in over 45 states and internationally. Matrix provides integrated communications services including local, 1+ long distance and toll-free voice services plus a wide range of data services, such as dedicated Internet access, frame relay and point-to-point transmission services, chiefly to enterprise customers. Americatel provides international and domestic facilities-based and resold long distance services, including "dial around" casual calling (i.e., 1010XXX) service and presubscribed 1+ calling services, in each of the 48 contiguous states, with a particular emphasis on serving the needs of United States customers with connections to Latin America and the Caribbean. Through their ownership of these companies, Platinum has demonstrated its qualifications to obtain control of Covad.

Neither Holding nor Platinum offer any regulated telecommunications services and therefore do not hold any telecommunications authorizations from the FCC or any state regulatory authority.

III. DESCRIPTION OF THE TRANSACTION

Platinum has created CCGI Merger Corporation ("Merger") and Holding for the purpose of acquiring CCGI, the parent of Licensees. Merger is a wholly owned subsidiary of Holding.

Pursuant to the Agreement and Plan of Merger ("Agreement") dated as of October 28, 2007, by and among Merger, Holding, and CCGI, subject to the obtaining of requisite regulatory and shareholder approvals, Merger will merge into CCGI, with CCGI surviving. As a result of the merger, CCGI Holding will become the sole stockholder of CCGI, and thereby acquire indirect control of Covad. Upon closing, Holding will ultimately be controlled by Platinum. Petitioners, therefore, request authority for the indirect transfer of control of Covad to Holding, which will ultimately be controlled by Platinum. For the Commission's convenience, pre- and post-transaction corporate structure charts are provided as Exhibit A.

Immediately following the consummation of the proposed transaction, Licensees will continue to offer service with no change in the rates or terms and conditions of service. Further, Licensees will continue to provide service to its customers under the same name, and will continue to be led by an experienced management team.

IV. PUBLIC INTEREST STATEMENT

Applicants submit that the transactions will serve the public interest. Under new ownership, Licensees will continue to provide high-quality telecommunications services to consumers, while gaining critically important access to the additional resources and operational expertise of Platinum and its affiliates. This transfer of control, therefore, will give Licensees the ability to become stronger competitors, to the ultimate benefit of consumers. Further, Licensees will not change their names or rates, terms or conditions of service as an immediate result of the transfer of control. The transfer of control, therefore, will be transparent to consumers. Moreover, as discussed above, CCGI Holding, through its affiliation with Platinum, is financially qualified to acquire control of Licensees and continue and expand their operations.

The public interest will also be served by expeditious consideration and approval of the transactions. For various important business and financial reasons, Applicants require that the transfer of control be closed as quickly as possible. Applicants anticipate that this transaction will allow Licensees and Platinum's affiliated telecommunications carriers to realize significant cost savings and operational benefits. Such savings may result from network integration, larger traffic volumes, synergies from information systems integration, and other sources. These cost savings and benefits will cause Licensees to become stronger competitors in the marketplace and will allow them to continue to provide high quality and low cost telecommunications services to consumers. Moreover, the transaction will also put Licensees in a better position to expand service offerings, to the ultimate benefit of their customers. Delay in the regulatory approval process will prevent the

parties from realizing these economic and operational benefits and delivering expanded customer services as quickly as the parties otherwise would.

Applicants emphasize that the proposed indirect transfer of control will be seamless and completely transparent to the customers of Licensees, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers. Accordingly, Applicants request that the Commission commence its examination of the Application as soon as possible and complete its review so that it will be considered and approved on a streamlined or otherwise expedited basis.

V. **INFORMATION REQUIRED BY SECTION 63.24(e)**

Pursuant to Section 63.24(e)(3) of the Commission's rules, 47 C.F.R. § 63.24(e)(3), the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

Name, address and telephone number of each Applicant: (a)

Transferor:

Covad Communications Group, Inc.

110 Rio Robles

San Jose, California, 95134

(408) 952-6400 (Tel)

Transferee:

CCGI Holding Corporation

360 N. Crescent Drive, South Building

Beverly Hills, California 90210

(310) 712-1850 (Tel)

Licensees:

Covad Communications Company

110 Rio Robles

San Jose, California, 95134

(408) 952-6400 (Tel)

DIECA Communications, Inc.

110 Rio Robles

San Jose, California, 95134

(408) 952-6400 (Tel).

FRN: 0006912380

FRN: 0017234758

FRN: 0003753753

FRN: 0003753787

(b) Jurisdiction of Organizations:

<u>Transferor</u>: CCGI is a corporation formed under the laws of Delaware.

<u>Transferee</u>: Holding is a corporation formed under the laws of Delaware.

<u>Licensees</u>: Covad is a corporation formed under the laws of California.

DIECA is a corporation formed under the laws of Virginia.

(c) (Answer to Question 10) Correspondence concerning this Application should be sent to:

Russell M. Blau Jeffrey R. Strenkowski Bingham McCutchen LLP 2020 K Street, NW Washington, DC 20006

Tel: (202) 373-6000 Fax: (202) 373-6001

Email: russell.blau@bingham.com

jeffrey.strenkowski@bingham.com

With a copy to:

and:

Eva Kalawski Jason Wakefield
Vice President and Secretary Angela Simpson
CCGI Holding Corporation

CCGI Holding Corporation Covad Communications

360 North Crescent Drive, South Building
Beverly Hills, CA 90210

1101 15th St NW
Suite 205

Tel: (310) 712-1850 Washington, DC 20005 Fax: (310) 712-1863 Tel: (202) 220-0409 Email: ekalawski@platinumequity.com Fax: (202) 220-0401

Email; asimpson@covad.com

(d) Section 214 Authorizations

Covad and DIECA hold blanket domestic authority to provide interstate services. 47 C.F.R. § 63.01. Covad and DIECA each also hold global facilities based and resale Section 214 authority to provide international services pursuant to authority granted in FCC File Nos. ITC-214-20021118-00544 (Covad Communications Company) and ITC-214-20021126-00558 (DIECA).

Holding does not hold any domestic or international Section 214 authority. Platinum indirectly controls the following companies that hold blanket domestic

Section 214 authority and international Section 214 authority; (1) 95 percent equity and voting interest in Americatel;⁴ (2) 100 percent equity and voting interest in Matrix;⁵ and (3) 100 percent equity and voting interest in Startec.⁶

(h) (Answer to Ouestions 11 & 12) The following entities own directly or indirectly 10 percent or more of Applicants as calculated pursuant to the Commission ownership attribution rules for wireline and international telecommunications carriers:⁷

<u>Pre-Transaction Ownership of Covad Communications Company and DIECA</u> Communications, Inc.:

The following entities currently hold a ten percent (10%) or greater, direct or indirect, interest in <u>Covad Communications Company and DIECA</u>

Communications, Inc.:

Name:

Covad Communications Group, Inc. ("CCGI")

Address:

110 Rio Robles,

San Jose, California, 95134

Citizenship:

U.S.

Principal Business:

Holding Company

Interest:

100% (directly in Covad and DIECA)

CCGI is a publicly traded company (AMEX: DVW). Upon information and belief, no person or entity directly or indirectly owns 10% or more of CCGI.

Applicants have one interlocking directorate. Diana Einterz Leonard, a Director of CCGI, is also Senior Vice President of the Americas for Orange Business Services, an affiliate of France Telecom Group, which controls a foreign carrier.

⁴ See FCC File Nos. ITC-214-19920512-00044, ITC-214-19920512-00045, ITC-93-160-TC, ITC-214-19940517-00162, ITC-214-19940922-00294, ITC-214-19960423-00165, ITC-214-19970312-00146, ITC-214-19970421-00220.

See FCC File Nos. ITC-214-19980915-00644, ITC-ASG-2040303-00200; Matrix Telecom Application for Authority to Operate as an International Resale Carrier, Order, Authorization and Certificate, FCC File No. ITC-91-176, DA 91-1192, 6 FCC Rcd 5571 (1991). In 1999, the Commission approved the transfer of control of Matrix to Platinum. See FCC File No. ITC-T/C-19991018-00664.

Startec holds blanket domestic authority to provide interstate services. 47 C.F.R. § 63.01. Startec also holds global resale Section 214 authority to provide international services pursuant to authority granted in FCC File Nos. ITC-89-099 and ITC-214-19970627-00354 (old File Number ITC-97-379).

While the Commission's rules for combined domestic and international applications require this information only for the assignee/transferee, see 47 C.F.R. §§ 63.04(b), 63.24(3)(2), Applicants are providing ownership information for both parties.

<u>Post-Transaction Ownership of Covad Communications Company and DIECA</u> Communications, Inc.:

1) The following entity will hold a ten percent (10%) or greater, direct or indirect, interest in <u>Covad Communications Company and DIECA</u>

Communications, Inc.:

Name:

Covad Communications Group, Inc. ("CCGI")

Address:

110 Rio Robles,

San Jose, California, 95134

Citizenship:

U.S.

Principal Business:

Holding Company

Interest:

100% (directly in Covad and DIECA)

2) The following entities will hold a ten percent or greater, direct or indirect, interest in Covad Communications Group, Inc. ("CCGI"):

Name:

CCGI Holding Corporation

Address:

360 North Crescent Drive, South Building

Beverly Hills, CA 90210

Citizenship:

U.S.

Principal Business:

Holding Company

Interest:

100% Voting and Equity (as sole owner of CCGI)

Post-Transaction Ownership of Transferee:

The following person will directly or indirectly control 10% or more of the equity in **CCGI Holding Corporation** after the closing:

This information is being filed separately, under seal.

- (i) (Answer to Question 14) Transferee certifies that it is not a foreign carrier or affiliated with a foreign carrier.
- (j) (Answer to Ouestion 15) Transferee certifies that it does not seek to provide international telecommunications services to any destination country where:
 - (1) An Applicant is a foreign carrier in that country; or
 - (2) An Applicant controls a foreign carrier in that country; or
 - (3) Any entity that owns more than 25 percent of an Applicant, or that controls an Applicant, controls a foreign carrier in that country; or
 - (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of an Applicant and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing or international basic telecommunications services in the United States.
- (k) Not applicable.

- (I) Not applicable.
- (m) Not applicable.
- (n) Transferee certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. See 21 U.S.C. § 853a; see also 47 C.F.R. §§ 1.2001-1.2003.
- (p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants are or are affiliated with any foreign carriers and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c), apply.

VI. <u>INFORMATION REQUIRED BY SECTION 63.04</u>

Pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b), Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12):

- (a)(6) A description of the proposed Transaction is set forth in Section III above.
- (a)(7) At least one of the Licensees provides telecommunications service in the following jurisdictions: Alabama, Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming.
- (a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction, Transferee (and its Affiliates) will have a market share in the interstate, interexchange market of less than 10 percent, and the Transferee (and its Affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and none of the Applicants (or their Affiliates) are dominant with respect to any service.
- (a)(9) By this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and

concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)). Applications to transfer control of the domestic wireless authorizations and assets of NextWeb, Inc., a wholly-owned wireless subsidiary of CCGI, to CCGI Holding Corporation are being filed with the Wireless Telecommunications Bureau under separate cover.

(a)(10) Prompt completion of the proposed transaction is critical to ensure that Applicants can obtain the benefits described in the foregoing application, Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously in order to allow Applicants to consummate the proposed transaction as soon as possible.

(a)(11) Not applicable.

(a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in Section IV above.

VII. **CONCLUSION**

For the reasons stated above, Applicants submit that the public interest, convenience, and necessity would be furthered by a grant of this Application. Applicants therefore respectfully request that the Commission consider and approve this Application expeditiously to permit Applicants to consummate the proposed transfer of control as soon as possible.

Respectfully submitted,

Russell M. Blau

Jeffrey R. Strenkowski

Bingham McCutchen LLP

2020 K Street, NW

Washington, DC 20006

Tel:

(202) 373-6000

(202) 373-6001

Email: russell.blau@bingham.com

jeffrey.strenkowski@bingham.com

Counsel for the Applicants

Dated: December 21, 2007

LIST OF EXHIBITS

Exhibit A

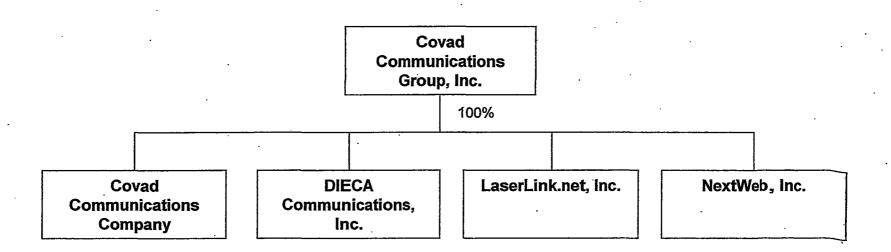
Pre- and Post-Transaction Corporate Structure Charts

Verifications

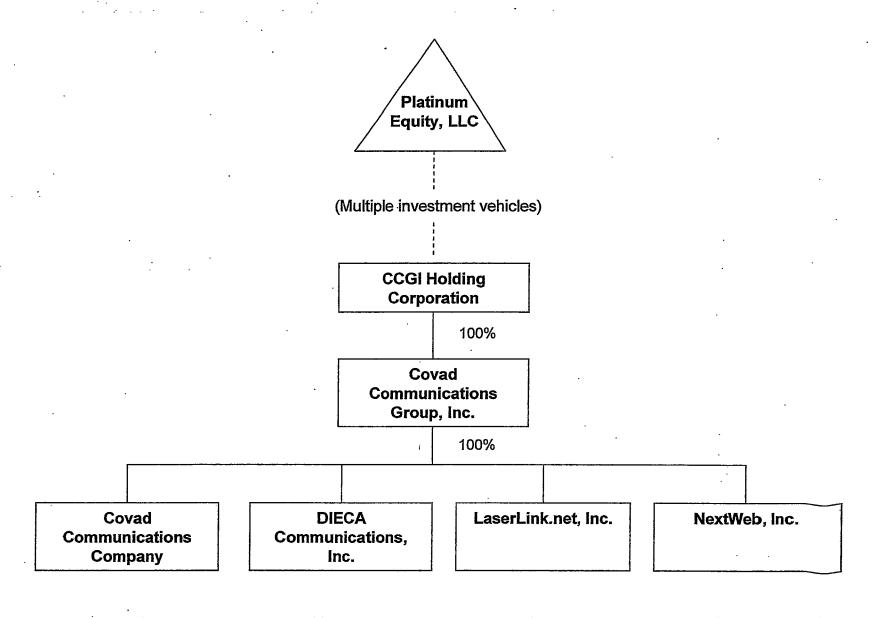
EXHIBIT A

Chart of Pre- and Post-Transaction Ownership Structure

Pre-Transaction Corporate Structure of Covad



Anticipated Post-Closing Corporate Structure



Verifications

§ §

VERIFICATION

I, Douglas Carlen, state that I am Senior Vice President and General Counsel of Covad Communications Group, Inc.; that I am authorized to make this Verification on behalf of Covad Communications Group, Inc. and its subsidiaries; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

Douglas Carlen

Senior Vice President & General Counsel Covad Communications Group, Inc.

Sworn and subscribed before me this 15 day of November, 2007.

3/19/09

Notary Public

My commission expires

PHIL CEGUERA
Commission # 1561279
Notary Public - California
Santa Clara County
My Comm. Expires Mar 19, 2008

COUNTY OF LOS ANGELES

VERIFICATION

I, Eva M. Kalawski, state that I am Vice President and Secretary of Blackberry Holding Corporation; that I am authorized to make this Verification on behalf of Blackberry Holding Corporation; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

Eva M. Kalawski

Vice President and Secretary Blackberry Holding Corporation

Sworn and subscribed before me this

 $\frac{15}{2}$ day of December, 2007.

Notary Hublic

My commission expires 47/4

SALLY ANNE WARD
Commission # 1732496
Notary Public - California
Los Angeles County
My Comm. Expires Apr 7, 2011